

Talking Points for NSPG Meeting
17 May 1984

Iran-Iraq Situation

- There has been no major change in the battlefield situation. Iran has approximately 400,000 troops concentrated east of Al Basrah and continues to move additional forces into the area. [redacted] 25X1
[redacted] Iran will launch a major attack there later this month but flooding, ammunition and supply shortages, and debates over strategy continue to cause the Iranians serious difficulties. 25X1
- The Iraqis attempted another attack on oil shipping calling at Khark Island this morning but may have been unsuccessful. US AWACS aircraft detected two Iraqi Super Etendards returning from a mission southwest of Khark at about 3:30 a.m. (local time) this morning. An Iranian F-14 fighter aircraft tried unsuccessfully to intercept the Super Etendards.
- There have been no reports this morning of tankers being attacked in the Gulf. The Super Etendards may have been unable to locate any targets.
- As predicted some months ago, the Iraqis have turned to attacking tankers to bring pressure on Iran and the rest of the international community. Since late March Iraq has hit at least six tankers. Iraq has attacked tankers at least once every five to twelve days since mid April. Iran has attacked three tankers, all this week. In addition, Iraq claims to have hit at least 30 merchant ships and several miscellaneous craft in the northern Gulf since 1 January.
- Iraq will not be deterred by Iran's retaliation against the Gulf Arabs from attacking shipping near Khark Island. We do not expect Iraq to increase the frequency of its attacks, however, until it receives Mirage F-1 fighter aircraft armed with Exocet missiles later this summer.
- The situation has escalated dangerously in the last few days as Iran has begun retaliate. Iran will retaliate for each succesful Iraqi attack by hitting at shipping bound for Arab Gulf ports. If Iraq continues its attacks for another few weeks, which we believe is likely, Iran probably will shift the focus of its attacks to targets inside Kuwait and possibly will begin fomenting terrorist attacks on the Gulf states.

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- Foreign Ministers of the six Gulf Cooperation Council states convened today in Riyadh; the Saudis are likely to propose several steps toward increased military cooperation in air defense, intelligence exchanges, and--perhaps--convoys for tankers in the Gulf.
 - Spot market prices for oil rose sharply yesterday, but surplus oil production capacity is available in non-Communist areas outside the Gulf; a halt in exports from Khark Island would by itself not have a major, sustained impact on the oil market.
 - Iran is accusing the US AWACS of supporting the Iraqi attacks, the latest Iranian charge was issued this morning. We believe there is a growing possibility that the Iranians will strike at AWACS or US personnel and facilities in the Gulf.
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